

AD HOC GOVERNANCE COMMITTEE

ATTACHMENT (S) : 1

INFORMATION: _____ PRESENTER: Chairperson

Please see the attached minutes of the March 5, 1998, Ad Hoc Governance Committee meeting.

PROPOSED
MINUTES OF THE
TEACHERS' RETIREMENT BOARD
AD HOC GOVERNANCE COMMITTEE
OPEN SESSION
WEDNESDAY, MARCH 4, 1998
STATE TEACHERS' RETIREMENT SYSTEM
ROBYN D. MILLER BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

Richard Whitmore, Chairperson
Yvonne Gallegos Bodle
George Fenimore
Lillian Raffel
Emma Zink
Robin Dezember, representing Director of Finance, Craig Brown

OTHER BOARD MEMBERS PRESENT

Gary Lynes
Marty Mathiesen
Michael Mayer
Kathleen Connell, State Controller
Robin Dezember, representing Director of Finance, Craig Brown
Fred Buenrostro, representing State Controller, Kathleen Connell
Ted White, representing State Treasurer, Matt Fong

STAFF PRESENT

James D. Mosman, Chief Executive Officer
Ron Meador, Acting Chief Counsel
Elleen Okada, DCEO, Investments
Peggy Plett, DCEO, Administration
Ian Lanoff, Fiduciary Counsel
Mary Miles, Administrative Assistant

A quorum being present, Chairperson Whitmore called the meeting to order at 2:47 p.m.

II. **APPROVAL OF MINUTES OF FEBRUARY 4, 1998 MEETING**

MOTION duly made by Ms. Zink, seconded by Ms. Bodle, and carried to approve the Ad Hoc Governance Committee minutes of February 4, 1998.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **REPORTING OF CONTRIBUTIONS AND GIFTS**

Mr. Mosman informed the Committee that both Senator Schiff and Senator Hayden introduced bills that address the issuing of contributions and gifts. Mr. Mosman reported that Committee members received a proposal from the Treasurer's Office on reporting of contributions and gifts. Dr. Connell also distributed a proposal to the Committee for their review.

MOTION duly made by Mr. Dezember, seconded by Ms. Zink to adopt the proposal on reporting gifts and contributions as presented by the State Treasurer for purposes of discussion.

Chairperson Whitmore identified eight areas for the Committee to consider: 1) should the Governor be included, 2) minimum amount of disclosure, 3) which contracts to include, 4) minimum amount of contract, 5) time of initial disclosure, 6) who are considered financially interested, 7) to include candidates for elected officer, and 8) timing period for disclosure. Discussion ensued regarding these issues.

Dr. Connell left at 3:45 p.m.

Mr. Dezember and Ms. Zink withdrew the prior motion.

MOTION duly made by Mr. Dezember, seconded by Ms. Zink, and carried to direct Mr. Mosman to develop a policy based on the eight items discussed and to return to the next Committee meeting with a proposed policy.

Mr. Mosman was also directed to wait until next month to discuss the bills by Senator Schiff and Senator Hayden.

V. **CLOSED SESSION POLICY**

Mr. Mosman was directed to schedule the discussion and decision making processes for Alternative Investments and Real Estate as closed session items and that the Committee would report those decisions in open session. Disclosure of the votes for all processes, except Alternative Investments, will be made at the completion of the transaction or as soon as possible at the discretion of the Chief Executive Officer or Chief Investment Officer.

VI. **STATUS OF CORTEX PROJECT**

Mr. Mosman stated that Cortex would be distributing a position paper outlining their decision matrix and will request comments from the Committee. It was the consensus of the Committee not to undertake the optional industry benchmarking process.

VII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were none.

VIII. **ADJOURNMENT**

There being no further business to conduct, Chairperson Whitmore adjourned the meeting at 4:21 p.m.

James D. Mosman, Chief Executive
Officer and Secretary of the
Teachers= Retirement Board

Richard Whitmore, Chairperson